



Reprinted
April 10, 2009

ENGROSSED SENATE BILL No. 414

DIGEST OF SB 414 (Updated April 9, 2009 12:10 pm - DI 14)

Citations Affected: IC 4-32.2.

Synopsis: Charity gaming. Provides that a charity gaming patron is not required to submit and a qualified organization is not required to obtain certain information unless the patron wins at least \$250 on a pull tab, punchboard, or tip board game or the qualified organization is required to report the patron's winnings to the Internal Revenue Service for federal income tax purposes. Provides that an administrative rule that requires a patron to submit or a qualified organization to obtain, record, or report information that is inconsistent with these provisions is void. Specifies that certain reusable licensed supplies are not subject to the requirement that licensed supplies be obtained from licensed manufacturers or distributors. Allows an individual to be an operator for three qualified organizations in a calendar month. (Current law limits an individual to serving one qualified organization per month.) Specifies when a worker at a festival event may participate in gaming activity offered at the festival. Permits an individual who is a member of a qualified organization to participate as a worker at allowable events held by other qualified organizations.

Effective: January 1, 2009 (retroactive); July 1, 2009.

**Leising, Alting, Deig, Arnold,
Becker, Stutzman, Paul, Landske**
(HOUSE SPONSORS — VAN HAAFTEN, BELL, KLINKER, OXLEY)

January 12, 2009, read first time and referred to Committee on Commerce, Public Policy & Interstate Cooperation.
February 5, 2009, amended, reported favorably — Do Pass.
February 9, 2009, read second time, ordered engrossed.
February 10, 2009, engrossed. Read third time, passed. Yeas 49, nays 1.

HOUSE ACTION

February 25, 2009, read first time and referred to Committee on Public Policy.
April 2, 2009, amended, reported — Do Pass.
April 9, 2009, read second time, amended, ordered engrossed.

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ES 414—LS 7019/DI 92+



First Regular Session 116th General Assembly (2009)

PRINTING CODE. Amendments: Whenever an existing statute (or a section of the Indiana Constitution) is being amended, the text of the existing provision will appear in this style type, additions will appear in **this style type**, and deletions will appear in ~~this style type~~.

Additions: Whenever a new statutory provision is being enacted (or a new constitutional provision adopted), the text of the new provision will appear in **this style type**. Also, the word **NEW** will appear in that style type in the introductory clause of each SECTION that adds a new provision to the Indiana Code or the Indiana Constitution.

Conflict reconciliation: Text in a statute in *this style type* or ~~this style type~~ reconciles conflicts between statutes enacted by the 2008 Regular Session of the General Assembly.

ENGROSSED SENATE BILL No. 414

A BILL FOR AN ACT to amend the Indiana Code concerning gaming.

Be it enacted by the General Assembly of the State of Indiana:

1 SECTION 1. IC 4-32.2-3-4, AS AMENDED BY P.L.227-2007,
2 SECTION 14, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
3 JULY 1, 2009]: Sec. 4. (a) The commission has the sole authority to
4 license entities under this article to sell, distribute, or manufacture a
5 licensed supply.

6 ~~(b) Qualified organizations must obtain licensed supplies only from~~
7 ~~an entity licensed by the commission.~~

8 ~~(c)~~ (b) The commission may not limit the number of qualified
9 entities licensed under subsection (a).

10 ~~(d)~~ (c) The commission may deny a license to an applicant for a
11 license to sell, manufacture, or distribute licensed supplies if the
12 commission determines that at least one (1) of the following applies
13 with respect to the applicant:

14 (1) The applicant has:

15 (A) violated a local ordinance, a state or federal statute, or an
16 administrative rule or regulation and the violation would cause
17 the commission to determine that the applicant, a key person,

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or a substantial owner of the applicant is not of good moral character or reputation; or

(B) committed any other act that would negatively impact the integrity of charity gaming in Indiana.

(2) The applicant has engaged in fraud, deceit, or misrepresentation.

(3) The applicant has failed to provide information required by this article or a rule adopted under this article.

SECTION 2. IC 4-32.2-3-8 IS ADDED TO THE INDIANA CODE AS A NEW SECTION TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2009]: **Sec. 8. A rule adopted under IC 4-22-2 that requires:**

(1) a charity gaming patron to submit; or

(2) a qualified organization to obtain, record, or report; information that is inconsistent with IC 4-32.2-5-5(a), IC 4-32.2-5-24, or IC 4-32.2-10-5 is void.

SECTION 3. IC 4-32.2-5-5, AS AMENDED BY P.L.227-2007, SECTION 31, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2009]: Sec. 5. (a) A qualified organization shall maintain accurate records of all financial aspects of an allowable event under this article. A qualified organization shall make accurate reports of all financial aspects of an allowable event to the commission within the time established by the commission. The commission may prescribe forms for this purpose. **For purposes of this section, a qualified organization is not required to record the name, signature, driver's license number, or other identifying information of a prize winner unless the qualified organization is required to withhold adjusted gross income tax from the prize winner under IC 6-3-4-8.2(d).**

(b) The commission shall, by rule, require a qualified organization to deposit funds received from an allowable event in a separate and segregated account set up for that purpose. All expenses of the qualified organization with respect to an allowable event shall be paid from the separate account.

~~(b)~~ **(c)** The commission may require a qualified organization to submit any records maintained under this section for an independent audit by a certified public accountant selected by the commission. A qualified organization must bear the cost of any audit required under this section.

SECTION 4. IC 4-32.2-5-13, AS ADDED BY P.L.91-2006, SECTION 3, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2009]: Sec. 13. **(a)** An individual may not be an operator for more than ~~one~~ **(+) three (3)** qualified ~~organization~~ **organizations** during a calendar month.

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(b) If an individual has previously served as an operator for another qualified organization, the commission may require additional information concerning the proposed operator to satisfy the commission that the individual is a bona fide member of the qualified organization.

SECTION 5. IC 4-32.2-5-14, AS AMENDED BY P.L.95-2008, SECTION 10, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2009]: Sec. 14. (a) **Except as provided by subsection (c)**, an operator or a worker may not directly or indirectly participate, other than in a capacity as an operator or a worker, in an allowable event that the operator or worker is conducting.

(b) A patron at a charity game night may deal the cards in a card game if:

- (1) the card game in which the patron deals the cards is a game of euchre;
- (2) the patron deals the cards in the manner required in the ordinary course of the game of euchre; and
- (3) the euchre game is played under the supervision of the qualified organization conducting the charity game night in accordance with rules adopted by the commission under IC 4-32.2-3-3.

A patron who deals the cards in a euchre game conducted under this subsection is not considered a worker or an operator for purposes of this article.

(c) A worker at a festival event may participate as a player in any gaming activity offered at the festival event except as follows:

- (1) A worker may not participate in any game during the time in which the worker is conducting or helping to conduct the game.**
- (2) A worker who conducts or helps to conduct a pull tab, punchboard, or tip board event during a festival event may not participate as a player in a pull tab, punchboard, or tip board event conducted on the same calendar day.**

SECTION 6. IC 4-32.2-5-16, AS AMENDED BY P.L.227-2007, SECTION 35, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2009]: Sec. 16. (a) Except as provided in section 12(c) of this chapter and subsection (b), a worker **at an allowable event** must be a member in good standing of ~~a~~ **the** qualified organization that is conducting ~~an~~ **the** allowable event for at least thirty (30) days at the time of the allowable event.

(b) A qualified organization may allow an individual who is not a member of the qualified organization to participate in an allowable

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event as a worker if the individual is a full-time employee of the qualified organization that is conducting the allowable event; or if:

- (1) the individual is a member of another qualified organization; and
- (2) the individual's participation is approved by the commission.

A qualified organization may apply to the commission on a form prescribed by the commission for approval of the participation of a nonmember under this subsection. A qualified organization may share the proceeds of an allowable event with the qualified organization in which a worker participating in the allowable event under this subsection is a member. The tasks that will be performed by an individual participating in an allowable event under this subsection and the amounts shared with the individual's qualified organization must be described in the application and approved by the commission.

(c) For purposes of:

- (1) the licensing requirements of this article; and
- (2) section 9 of this chapter;

a qualified organization that receives a share of the proceeds of an allowable event described in subsection (b) is not considered to be conducting an allowable event.

SECTION 7. IC 4-32.2-5-24 IS ADDED TO THE INDIANA CODE AS A NEW SECTION TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2009]: **Sec. 24. (a) Except as provided in subsections (b) and (c), the following apply to an allowable event:**

- (1) A charity gaming patron is not required to submit to a qualified organization the patron's name, signature, driver's license number, or other identifying information.
- (2) A qualified organization is not required to obtain a patron's name, signature, driver's license number, or other identifying information.

(b) A prize of two hundred fifty dollars (\$250) or more may not be awarded to a winner of a pull tab, punchboard, or tip board game unless:

- (1) the winner provides the winner's printed name, signature, and date of birth to the qualified organization conducting the pull tab, punchboard, or tip board game; and
- (2) the qualified organization verifies the identity of the prize winner using any reasonable means the qualified organization considers necessary.

(c) If a qualified organization is required to report a patron's gambling winnings to the Internal Revenue Service for federal income tax purposes, the winning patron shall provide the qualified

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1 organization with the information necessary to comply with all
2 applicable state and federal tax laws.

3 SECTION 8. IC 4-32.2-5-25 IS ADDED TO THE INDIANA CODE
4 AS A NEW SECTION TO READ AS FOLLOWS [EFFECTIVE
5 JANUARY 1, 2009 (RETROACTIVE)]: **Sec. 25. (a) Except as**
6 **provided in subsection (b), a qualified organization shall obtain**
7 **licensed supplies from an entity licensed by the commission as a**
8 **manufacturer or distributor.**

9 (b) Subsection (a) does not apply to a reusable licensed supply:

10 (1) constructed, purchased, or otherwise obtained by a
11 qualified organization before January 1, 2009; or

12 (2) borrowed at any time from another qualified organization.

13 SECTION 9. IC 4-32.2-10-5, AS ADDED BY P.L.91-2006,
14 SECTION 3, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
15 JULY 1, 2009]: Sec. 5. All taxes imposed on a licensed entity under
16 this chapter shall be remitted to the department at the times and as
17 directed by the department. The department is responsible for all
18 administrative functions related to the receipt of funds. The department
19 may require each licensed entity to file with the department reports of
20 the licensed entity's receipts and transactions in the sale of pull tabs,
21 punchboards, and tip boards. The department shall prescribe the form
22 of the reports and the information to be contained in the reports. **For**
23 **purposes of this section, a qualified organization is not required to**
24 **report the name, signature, or driver's license number of a prize**
25 **winner unless the qualified organization is required to withhold**
26 **adjusted gross income tax from the prize winner under**
27 **IC 6-3-4-8.2(d).**

28 SECTION 10. An emergency is declared for this act.

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COMMITTEE REPORT

Madam President: The Senate Committee on Commerce, Public Policy and Interstate Cooperation, to which was referred Senate Bill No. 414, has had the same under consideration and begs leave to report the same back to the Senate with the recommendation that said bill be AMENDED as follows:

Page 1, between the enacting clause and line 1, begin a new paragraph and insert:

"SECTION 1. IC 4-32.2-3-4, AS AMENDED BY P.L.227-2007, SECTION 14, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2009]: Sec. 4. (a) The commission has the sole authority to license entities under this article to sell, distribute, or manufacture a licensed supply.

~~(b) Qualified organizations must obtain licensed supplies only from an entity licensed by the commission.~~

~~(c)~~ (b) The commission may not limit the number of qualified entities licensed under subsection (a).

~~(d)~~ (c) The commission may deny a license to an applicant for a license to sell, manufacture, or distribute licensed supplies if the commission determines that at least one (1) of the following applies with respect to the applicant:

(1) The applicant has:

(A) violated a local ordinance, a state or federal statute, or an administrative rule or regulation and the violation would cause the commission to determine that the applicant, a key person, or a substantial owner of the applicant is not of good moral character or reputation; or

(B) committed any other act that would negatively impact the integrity of charity gaming in Indiana.

(2) The applicant has engaged in fraud, deceit, or misrepresentation.

(3) The applicant has failed to provide information required by this article or a rule adopted under this article."

Page 2, between lines 12 and 13, begin a new paragraph and insert:

"SECTION 4. IC 4-32.2-5-13, AS ADDED BY P.L.91-2006, SECTION 3, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2009]: Sec. 13. (a) An individual may not be an operator for more than ~~one~~ ~~(1)~~ **three (3)** qualified ~~organization~~ **organizations** during a calendar month.

(b) If an individual has previously served as an operator for another qualified organization, the commission may require additional information concerning the proposed operator to satisfy the

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commission that the individual is a bona fide member of the qualified organization.

SECTION 5. IC 4-32.2-5-14, AS AMENDED BY P.L.95-2008, SECTION 10, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2009]: Sec. 14. (a) **Except as provided by subsection (c)**, an operator or a worker may not directly or indirectly participate, other than in a capacity as an operator or a worker, in an allowable event that the operator or worker is conducting.

(b) A patron at a charity game night may deal the cards in a card game if:

- (1) the card game in which the patron deals the cards is a game of euchre;
- (2) the patron deals the cards in the manner required in the ordinary course of the game of euchre; and
- (3) the euchre game is played under the supervision of the qualified organization conducting the charity game night in accordance with rules adopted by the commission under IC 4-32.2-3-3.

A patron who deals the cards in a euchre game conducted under this subsection is not considered a worker or an operator for purposes of this article.

(c) This subsection applies only to a festival event. A worker may participate in any event or gambling game conducted at a festival event held by a qualified organization except for an event or gambling game that the worker personally conducts or helps conduct on behalf of the qualified organization.

SECTION 6. IC 4-32.2-5-16, AS AMENDED BY P.L.227-2007, SECTION 35, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2009]: Sec. 16. (a) Except as provided in section 12(c) of this chapter and subsection (b), a worker must be a member in good standing of a qualified organization that is conducting an allowable event for at least thirty (30) days at the time of the allowable event.

(b) A qualified organization may allow an individual who is not a member of the qualified organization to participate in an allowable event as a worker if the individual is a full-time employee of the qualified organization that is conducting the allowable event; or if:

- (1) the individual is a member of another qualified organization; and
- (2) the individual's participation is approved by the commission.

A qualified organization may apply to the commission on a form prescribed by the commission for approval of the participation of a nonmember under this subsection. A qualified organization may share

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the proceeds of an allowable event with the qualified organization in which a worker participating in the allowable event under this subsection is a member. The tasks that will be performed by an individual participating in an allowable event under this subsection and the amounts shared with the individual's qualified organization must be described in the application and approved by the commission.

(c) For purposes of:

- (1) the licensing requirements of this article; and
- (2) section 9 of this chapter;

a qualified organization that receives a share of the proceeds of an allowable event described in subsection (b) is not considered to be conducting an allowable event.

(d) An individual may not be a worker for more than three (3) qualified organizations during a calendar month."

Page 2, between lines 23 and 24, begin a new paragraph and insert:

"SECTION 8. IC 4-32.2-5-25 IS ADDED TO THE INDIANA CODE AS A **NEW** SECTION TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2009]: **Sec. 25. (a) Except as provided in subsection (b), a qualified organization shall obtain licensed supplies from an entity licensed by the commission as a manufacturer or distributor.**

(b) A qualified organization is not required to obtain licensed supplies from an entity licensed by the commission as a manufacturer or distributor in the case of:

- (1) a qualified organization that obtains pull tabs, punchboards, and tip boards from the state lottery commission; or**
- (2) a qualified organization that borrows reusable supplies, devices, or equipment from another qualified organization."**

Re-number all SECTIONS consecutively.

and when so amended that said bill do pass.

(Reference is to SB 414 as introduced.)

ALTING, Chairperson

Committee Vote: Yeas 10, Nays 0.

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COMMITTEE REPORT

Mr. Speaker: Your Committee on Public Policy, to which was referred Senate Bill 414, has had the same under consideration and begs leave to report the same back to the House with the recommendation that said bill be amended as follows:

Page 3, delete lines 25 through 42, begin a new paragraph and insert:

"(c) A worker at a festival event may participate as a player in any gaming activity offered at the festival event except as follows:

(1) A worker may not participate in any game during the time in which the worker is conducting or helping to conduct the game.

(2) A worker who conducts or helps to conduct a pull tab, punchboard, or tip board event during a festival event may not participate as a player in a pull tab, punchboard, or tip board event conducted on the same calendar day.

SECTION 6. IC 4-32.2-5-16, AS AMENDED BY P.L.227-2007, SECTION 35, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2009]: Sec. 16. (a) Except as provided in section 12(c) of this chapter and subsection (b), a worker **at an allowable event** must be a member in good standing of ~~a~~ **the** qualified organization that is conducting ~~an~~ **the** allowable event for at least thirty (30) days at the time of the allowable event.

(b) A qualified organization may allow an individual who is not a member of the qualified organization to participate in an allowable event as a worker if:

(1) the individual is a full-time employee of the qualified organization that is conducting the allowable event; or if:

(+) (2) the individual is a member of another qualified organization. and

(2) the individual's participation is approved by the commission:

~~A qualified organization may apply to the commission on a form prescribed by the commission for approval of the participation of a nonmember under this subsection. A qualified organization may share the proceeds of an allowable event with the qualified organization in which a worker participating in the allowable event under this subsection is a member. The tasks that will be performed by an individual participating in an allowable event under this subsection and the amounts shared with the individual's qualified organization must be described in the application and approved by the commission:~~

(c) For purposes of:

(+) the licensing requirements of this article; and

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(2) section 9 of this chapter;
 a qualified organization that receives a share of the proceeds of an allowable event described in subsection (b) is not considered to be conducting an allowable event."

Page 4, delete lines 1 through 41, begin a new paragraph and insert:

"SECTION 7. IC 4-32.2-5-24 IS ADDED TO THE INDIANA CODE AS A NEW SECTION TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2009]: **Sec. 24. (a) Except as provided in subsections (b) and (c), the following apply to an allowable event:**

(1) A charity gaming patron is not required to submit to a qualified organization the patron's name, signature, driver's license number, or other identifying information.

(2) A qualified organization is not required to obtain a patron's name, signature, driver's license number, or other identifying information.

(b) A prize of two hundred fifty dollars (\$250) or more may not be awarded to a winner of a pull tab, punchboard, or tip board game unless:

(1) the winner provides the winner's printed name, signature, and date of birth to the qualified organization conducting the pull tab, punchboard, or tip board game; and

(2) the qualified organization verifies the identity of the prize winner using any reasonable means the qualified organization considers necessary.

(c) If a qualified organization is required to report a patron's gambling winnings to the Internal Revenue Service for federal income tax purposes, the winning patron shall provide the qualified organization with the information necessary to comply with all applicable state and federal tax laws.

SECTION 8. IC 4-32.2-5-25 IS ADDED TO THE INDIANA CODE AS A NEW SECTION TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2009 (RETROACTIVE)]: **Sec. 25. (a) Except as provided in subsection (b), a qualified organization shall obtain licensed supplies from an entity licensed by the commission as a manufacturer or distributor.**

(b) Subsection (a) does not apply to a reusable licensed supply:

(1) constructed, purchased, or otherwise obtained by a qualified organization before January 1, 2009; or

(2) borrowed at any time from another qualified organization."

Page 5, after line 14, begin a new paragraph and insert:

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"SECTION 10. **An emergency is declared for this act.**".

Renumber all SECTIONS consecutively.

and when so amended that said bill do pass.

(Reference is to SB 414 as printed February 6, 2009.)

VAN HAAFTEN, Chair

Committee Vote: yeas 8, nays 0.

HOUSE MOTION

Mr. Speaker: I move that Engrossed Senate Bill 414 be amended to read as follows:

Page 3, delete lines 34 through 42, begin a new paragraph and insert:

"SECTION 6. IC 4-32.2-5-16, AS AMENDED BY P.L.227-2007, SECTION 35, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2009]: Sec. 16. (a) Except as provided in section 12(c) of this chapter and subsection (b), a worker **at an allowable event** must be a member in good standing of ~~a~~ **the** qualified organization that is conducting ~~an~~ **the** allowable event for at least thirty (30) days at the time of the allowable event.

(b) A qualified organization may allow an individual who is not a member of the qualified organization to participate in an allowable event as a worker if the individual is a full-time employee of the qualified organization that is conducting the allowable event; or if:

(1) the individual is a member of another qualified organization; and

(2) the individual's participation is approved by the commission. A qualified organization may apply to the commission on a form prescribed by the commission for approval of the participation of a nonmember under this subsection. A qualified organization may share the proceeds of an allowable event with the qualified organization in which a worker participating in the allowable event under this subsection is a member. The tasks that will be performed by an individual participating in an allowable event under this subsection and the amounts shared with the individual's qualified organization must be described in the application and approved by the commission.

(c) For purposes of:

(1) the licensing requirements of this article; and
(2) section 9 of this chapter;

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a qualified organization that receives a share of the proceeds of an allowable event described in subsection (b) is not considered to be conducting an allowable event."

Page 4, delete lines 1 through 21.

(Reference is to ESB 414 as printed April 3, 2009.)

VAN HAAFTEN

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